

Agricultural Management: Leasing Agricultural Lands

- **Policy Guidance**
 - *Boulder Revised Code*
 - *2-2-8. Conveyance of City Real Property Interests*
 - *(a) The city manager may convey, grant or lease any interest in any city real property for a term of three years or more only if the manager first obtains City Council approval in the form of a motion, after which the manager may sign the deed or other instrument making the conveyance, grant or lease.*
 - *City Charter ARTICLE XII. OPEN SPACE*
 - *Section 171 Function of the department*
 - *Shall acquire, supervise, administer, preserve, and maintain all open space land and other property associated therewith and may grant nonexclusive licenses and permits and agricultural leases for crop or grazing purposes for a term of five years or less.*
 - *Section 177 Disposal of open space land*
 - *No open space land owned by the city may be sold, leased, traded, or otherwise conveyed, nor may any exclusive license or permit on such open space land be given, until approval of such disposal by the City Council. Such approval may be given only after approval of such disposal by the affirmative vote of at least three members of the Open Space Board of Trustees after a public hearing held with notice published at least 10 days in advance in a newspaper of general circulation in the city, giving the location of the land in question and the intended disposal thereof. No open space land owned by the city shall be disposed of until 60 days following the date of City Council approval of such disposal. If, within such 60-day period, a petition meeting the requirements of Section 45 above and signed by registered electors of the city to the number of at least five percent of the registered electors of the city as of the day the petition is filed with the city clerk, requesting that such disposal be submitted to a vote of the electors, such disposal shall not become effective until the steps indicated in Section 46 and Section 47 above have been followed.*
 - *This section shall not apply to agricultural leases for crop or grazing purposes for a term of five years or less.*
- **Existing Conditions**
 - *Existing Lease Process:*
 - *Properties put up for bid*
 - *Competitive bid process*
 - *Lease rate is determined by the bid of the most qualified applicant*
 - *1-3 year lease established*
 - *Lease Renewal Process:*

- Lease expires
 - Lessee expresses interest in renewing
 - OSMP staff determines lessee is in “good standing”
 - Lease renewed at or near established lease rate
- Land / lease tenure – Many of OSMP lessees have been farming/ranching the same lands for decades, some for over 30 years.
- Access and permitted uses within leased area – Agricultural lessees are provided more access and permitted uses than visitors in their leased areas and ditches serving their leased areas to support their agricultural operations, such as:
 - Off-trail access in HCAs without an off-trail permit
 - Access to closed properties
 - Commercial sales (such as direct market hay sales without a commercial use permit)
 - Off-leash working dogs in no dog or otherwise leashed areas
 - Off-road ATV/vehicle/equipment use
- Current OSMP lease rates comparison to peer agencies and regional rates (both public and private)
 - Current lease rates are significantly lower than current market values/peer agency rates. Other operators in the Boulder Valley pay significantly more for similar land.
 - There is also an equity issue among OSMP lessees, with newer lessees paying significantly more for similar land than some long-time lessees.
- Liability issues related to agricultural leases
- Objective(s)
 - Maintain an agricultural lease program, including lease process and fee structure, compatible with agricultural and resource stewardship and a working lands program.
 - Ensure management responsibilities, agricultural stewardship expectations, and permissible uses are clearly defined between OSMP and lessees.
- Management Strategies
 - Implement the following lease process:
 - Advertise new properties available for lease to the agricultural community at OSMP established rates based on the range of the intensity of permissible agricultural uses.
 - Request for proposals
 - Lease property to the most qualified applicant
 - Establish 1-3 year lease and develop a Property (or lease) Management Plan
 - Lease Renewal Process:
 - Lease expires
 - Lessee expresses interest in renewing
 - OSMP staff determines lessee was in compliance with the Property (or lease) Management Plan
 - Lease renewed at current OSMP established rates
 - Develop a fee structure compatible with agricultural and resource stewardship and a working lands program taking into consideration:

- *Lessee impacts / preferences*
 - *Management flexibility*
 - *Multiple objective nature of OSMP agricultural lands (i.e. restrictions and/or conditions placed on lessee operation to achieve other management goals)*
 - *Administration costs / departmental documentation needs*
- *Develop an incremental / phased approach to implementing an updated fee structure.*
 - *This approach will provide the lessees with larger increases in rates the most time to adjust.*
 - *For example:*
 - *30% increase – 1 year*
 - *30-60% increase – 2 years*
 - *60-90% increase – 3 years*
 - *90-120% increase – 4 years*
 - *120+% increase – 5 years*
- *Develop Property (or lease) Management Plans to address:*
 - *Compatible resource goals – Ecological*
 - *Agricultural stewardship expectations*
 - *Access and permitted uses*
 - *Off-trail access in HCAs without an off-trail permit*
 - *Access to closed properties*
 - *Commercial sales (such as direct market hay sales without a commercial use permit)*
 - *Off-leash working dogs in no dog or otherwise leashed areas*
 - *Off-road ATV/vehicle/equipment use*
 - *Lessee financial and maintenance responsibilities*
 - *IPM*
 - *Insurance requirements*
 - *Documentation*
 - *OSMP Responsibilities*
 - *Infrastructure improvements*
 - *Maintenance*
 - *Water assessments*
- **Measures of Success**
 - *Proportion of leases signed and renewed at updated OSMP established lease rates.*
 - *Proportion of leases that have a Property (or lease) Management Plan.*
 - *Proportion of leases in compliance with Property (or lease) Management Plan.*
- **Next Steps**
 - *Establish lease fees*
 - *Lessee outreach*
- **Estimated Cost(s)**
 - *No additional costs identified at this time.*